

## **MINUTES OF THE EQUALIZATION TASK FORCE**

Monday, November 19, 2007 – 2:00 p.m. – Room W135 House Building

### **Members Present:**

Rep. David Clark, House Chair  
Sen. Chris D. Buttars  
Sen. Mike Dmitrich  
Sen. Lyle W. Hillyard  
Sen. Howard A. Stephenson  
Sen. Michael G. Waddoups  
Rep. Melvin R. Brown  
Rep. Brad L. Dee  
Rep. James R. Gowans  
Rep. Carol Spackman Moss  
Rep. Merlynn T. Newbold  
Rep. LaWanna Lou Shurtliff

Rep. Aaron Tilton  
Rep. Carl Wimmer

### **Members Absent:**

Sen. Dan R. Eastman, Senate Chair  
Sen. Scott D. McCoy

### **Staff Present:**

Mr. Phillip V. Dean, Policy Analyst  
Ms. Angela D. Oakes, Associate General Counsel  
Mr. Ben Leishman, Fiscal Analyst  
Ms. Chelsea Barrett, Legislative Secretary

**Note:** A list of others present, a copy of related materials, and an audio recording of the meeting can be found at [www.le.utah.gov](http://www.le.utah.gov).

## **1. Task Force Business**

Chair Clark called the meeting to order at 2:17 p.m. Chair Eastman and Sen. McCoy were excused from the meeting.

## **2. Additional Background Information**

Mr. Young, Office of the Legislative Fiscal Analyst, introduced and distributed "Projected Students and Costs (2008-2012)." The Task Force discussed the historical and projected student enrollment and costs for 2004-2012. Mr. Leishman and Mr. Young answered questions on the information given to the Task Force.

Mr. Dean outlined and distributed "School Capital Outlay Funding, Equalization Task Force, November 2007." He explained the information provided in the packet summarized the 2007 property tax data and state capital outlay funding for schools.

## **3. Statewide Equalization Proposals and Draft Legislation**

Rep. Harper distributed "Summary of Rep. Harper's Public School Funding Bill," 2008 General Session draft legislation "Public School Funding," and "State Sales Tax Chart and Tables." He explained to the Task Force his efforts to streamline the property tax system and come up with a proposal that would reduce property tax and give public education more of the sales tax, which generally grows more rapidly than property tax. Rep. Harper noted the need to give financial stability to property owners. Rep. Harper concluded by stating the main idea behind the proposal is to allow money to follow each child, no matter where the child attends. The Task Force discussed the proposal.

Mr. Newton, School Finance Director, State Office of Education, mentioned three considerations for the Task Force about this proposal. He commented on the effect of this equalization proposal on: (1) allocation of automobile fee-in-lieu of taxes; (2) re-development agencies; and (3) school bonding.

Rep. Tilton distributed draft legislation entitled "Statewide Capital Outlay Equalization." He additionally

distributed and briefly covered, "Equalization Proposal," a summary of his equalization proposal examined in previous meetings. Rep. Tilton noted that he is willing to take input from the Task Force about adjusting the proposal. The Task Force discussed and answered questions covering Rep. Tilton's proposal. Sen. Waddoups expressed that he feels Rep. Tilton's proposal does not reach towards a consensus of meeting the goal of the Task Force.

Sen. Stephenson posed a question to the Task Force about the difference in equalizing through income tax vs property tax. He pointed out that all children are deserving of equal education regardless of where they live.

Chair Clark invited the public to speak on the topic.

Mr. Oetting, Garfield County School District, expressed concern for low income populations. He reminded the Task Force to keep in mind these individuals when deciding on an equalization proposal.

Mr. Olsen, Nebo School District, and Mr. Reese, Tooele School District, both representing the Association of School Business Administrators, thanked legislators for the equalization discussion. They stated that capital equalization is a challenging task and creating winners and losers in any proposal makes it difficult for school district representatives to reach complete consensus. Mr. Olsen noted that freezing the basic rate could make an equalization proposal more palatable to some.

Mr. Newton, School Finance Director, State Office of Education, spoke about the small, rural districts of the state and noted the need be mindful of them when making a decision.

Mr. Wright, Superintendent, Juab School District, spoke about his concern for rural school districts. He explained that future discussion needs to focus more on small districts. He explained that in smaller districts, the economy is much more slow growing and taxpayers feel a significant tax burden.

Mr. Smith, Provo City School District, explained that he is not comfortable with any of the proposals introduced and further explained that he would like to see local control on the equalization topic. He noted that Provo, for example, is not growing and as a result would not receive growth funding.

Rep. Newbold distributed "Financing Public Education," draft legislation containing her equalization proposal. She explained her bill, including the proposal to increase and freeze the basic levy and offset the increase with reductions in other property tax rates. She distributed "Minimum School Program - Basic School Program: Proposal to Increase the Basic Rate, Distribute Generated Funding Through the Weighted Pupil Unit and Decrease Another Property Tax Rate Within the District." Rep. Newbold entertained questions from the Task Force.

Sen. Chris Buttars distributed "New School District Amendments" and "State Capital Facility Board - Creation and Oversight." Sen. Buttars asked if his two proposals could be addressed first at the upcoming Task Force meeting.

**MOTION:** Rep. Dee moved to have Sen. Buttars present his two proposals first on the upcoming agenda and to have Rep. Newbold's and Rep. Tilton's proposals presented in final draft form for Task Force consideration.

**SUBSTITUTE MOTION:** Rep. Shurtliff moved to discuss Sen. Buttars two draft bills in the beginning of the next meeting.

Rep. Dee withdrew his original motion.

Rep. Shurtliff's motion passed unanimously.

**MOTION:** Rep. Dee moved to have final drafts of Rep. Newbold's and Rep. Tilton's legislation presented at the next Task Force meeting. The motion failed with Sen. Stephenson, Rep. Dee, Rep. Clark, Rep. Tilton, Rep. Wimmer, and Rep. Newbold voting for the motion.

The Task Force discussed the agenda for the upcoming meeting. Sen. Waddoups asked to have the Legislative Fiscal Analyst develop fiscal estimates for the proposed draft legislation. In addition, the Task Force requested to have fiscal information regarding the Jordan School District split.

**MOTION:** Having voted on the prevailing side, Sen. Buttars moved to reconsider Rep. Dee's motion regarding Rep. Tilton's and Rep. Newbold's bills. The motion passed with Rep. Moss, Rep. Shurtliff, Sen. Hillyard, Sen. Waddoups, and Rep. Gowans voting against the motion. Rep. Brown and Sen. Dmitrich were absent for the vote.

**MOTION:** Sen. Buttars moved to have Rep. Tilton's and Rep. Newbold's draft legislation come back to the Task Force in final form for next the next meeting. The motion passed with Rep. Moss and Rep. Shurtliff voting against the motion. Rep. Brown and Sen. Dmitrich were absent for the vote.

#### **4. Other Items / Adjourn**

Rep. Moss requested that staff produce a comparison of the equalization proposals for clarification purposes.

**MOTION:** Rep. Dee moved to adjourn the meeting. The motion passed unanimously with Sen. Dmitrich and Rep. Brown absent for the vote.

Chair Clark adjourned the meeting at 5:22 p.m.